

STATE OF NEBRASKA

DEPARTMENT OF INSURANCE

L. Tim Wagner

Director



Dave Heineman
Governor

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CB-112

BULLETIN

SUBJECT: FLOOD INSURANCE TRAINING REQUIREMENTS AND RECOMMENDATIONS FOR INSURERS AND NEBRASKA RESIDENT INSURANCE PRODUCERS

The purpose of this Bulletin is to advise insurers and Nebraska resident insurance producers of training requirements for selling flood insurance through the National Flood Insurance Program ("NFIP") and to recommend to insurance producers that they advise homeowners of the availability of flood insurance.

**IF YOU DO NOT ISSUE FLOOD INSURANCE POLICIES AS AN INSURER
OR YOU DO NOT SELL FLOOD INSURANCE TO YOUR CLIENTS AS AN
INSURANCE PRODUCER, THE BALANCE OF THIS BULLETIN DOES NOT
APPLY TO YOU.**

Federally-backed flood insurance is available through the NFIP, which is administered by the Federal Emergency Management Agency ("FEMA"). FEMA has implemented the minimum flood insurance training requirements for insurance producers, as set forth in Section 207 of the Flood Insurance Reform Act of 2004, Pub. L. 108-264, (the "Act"). Under the Act, FEMA, in cooperation with state insurance regulators, has developed flood insurance training requirements designed to ensure that insurance producers selling flood insurance under NFIP are properly trained and educated about the program.

Under these requirements, **all Nebraska resident insurance producers licensed in property/casualty lines of authority that may sell a flood insurance policy** must complete a **one-time** course related to NFIP which will provide at least **three hours** of continuing education credit. These three hours **are not** required in addition to the normal 24 hours. The NFIP flood insurance course is available through some approved continuing education providers. In the near future, an online course will be available at FEMA's website. Failure to comply with this continuing education requirement may jeopardize the insurance producer's authority to write flood insurance through the NFIP.

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Pursuant to the Act, the Nebraska Department of Insurance is requiring **all Nebraska resident insurance producers** who sell flood insurance through NFIP to comply with the minimum training requirements of Section 207 of the Act, and with basic flood education, as outlined in 70 FR 52117, or such later requirements as are published by FEMA. This will take effect beginning with the resident insurance producer license renewals January 1, 2007, and run through the producer's renewal cycle. If an insurance producer has taken the NFIP course this 2005 year and has submitted it for his/her renewal, we will count it as having satisfied the federal requirement.

Licensed insurers shall, upon request, demonstrate to the Nebraska Department of Insurance that their licensed and appointed insurance producers who sell flood insurance through NFIP in Nebraska have complied with the above-described minimum flood insurance training requirements. To comply with the request, the insurance producer may show the continuing education certificate of completion for the course.

The Nebraska Department of Insurance recommends that when an insurance producer is either selling or renewing a homeowner's insurance policy, he/she advise all applicants of the availability of flood insurance through NFIP. If an applicant declines the coverage after being advised of the availability of flood insurance, it would be prudent for the insurance producer to have the applicant sign or initial a statement indicating that the applicant was advised of the availability of the coverage, but declined to purchase it. The insurance producer should maintain this statement as part of the applicant's file.

More information about the NFIP may be obtained by visiting FEMA's NFIP website at ***<http://www.fema.gov/business/nfip/>***.

Questions regarding this bulletin should be directed to the Producer Licensing Division at (402) 471-2201.

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